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From: John Mabb [johnmabb@hotmail.com]
Sent: Tuesday, 10 April 2012 2:42 PM
To: General Electricity Address
Subject: QCA Regulated Retail Draft Electricity Price Submission

I am supportive of the proposed regulated electricity retail prices moving to an inclining block tariff structure as well as a network and retail split price, however, the resultant readjustment in prices is inconsistant with the LNP policy of freeze or lowering of residential electricity prices. The inclining price structure is now consistent with water consumption.

There is still a problem with the business structure of electricity distributors and retailers for them to make money and the only way is for them to sell more electricity, in other states and countries there has been a move to encourage distributors and retailers to make money by helping customers reduce consumption and then selling these white credits to the government to meet a proposed reduction target. This adds a tradable price to consumption reduction and enables the retailers to make money by selling less electricity.

It is interesting to note that the least increase is set at a consumption volume of 5370 kWh. Why was this volume chosen as representative of the typical residential customer. If this is representative of the average residential consumption in Queensland please publish the data to confirm. In SEQ, Energex has recently published the consumption at LGA resolution for the 2009 and 2010 years which has highlighted that the average is 6880 kWh in 2010. In 2008 the Premiers Council on Climate Change published a report within which figure 1 highlights that according to Energex in 2006 the average annual electricity consumption per household in SEQ was 11,000 kWh per annum.

It is also interesting to note that the tarrif 20 cost is proposed to be reduced even with the introduction of a carbon price. Does this mean that relative to tariff 11 prices in the past, tariff 20 has been contributing to a greater percentage of the network costs. The reduction in tariff 20 is counterproductive in encouraging small commercial customers becoming more energy efficient.

Regards,

John Mabb